

AMENDED IN ASSEMBLY MARCH 7, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

## Assembly Joint Resolution

No. 32

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**Introduced by Assembly Member ~~Arambula~~ Members Arambula  
and Sharon Runner**  
*(Coauthors: Assembly Members Nation, Parra, and Vargas)*

August 16, 2005

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Assembly Joint Resolution No. 32—Relative to Qualified Veterans  
Mortgage Bonds.

### LEGISLATIVE COUNSEL’S DIGEST

AJR 32, as amended, Arambula. Qualified Veterans Mortgage Bonds.

This measure would memorialize the President and Congress of the United States to enact legislation that would revise provisions of the Internal Revenue Code to authorize increased issuance of Qualified Veterans Mortgage Bonds by a state to fund home purchase and home improvement loans to specified veterans.

Fiscal committee: no.

- 1 WHEREAS, In addition to the benefits provided by the United  
2 States Department of Veterans Affairs, individual states have  
3 long been leaders in recognizing and rewarding the tremendous  
4 sacrifice of our nation’s veterans; and  
5 WHEREAS, Home ownership is viewed by many as a  
6 cherished component of the American dream; and  
7 WHEREAS, Enabling veterans to achieve home ownership at  
8 a lower cost is a small reward for their faithful service while in  
9 the United States Armed Forces; and

1 WHEREAS, In appreciation of this service on behalf of our  
2 state and nation, the States of Wisconsin, Texas, Oregon,  
3 California, and Alaska have offered low-interest rates on home  
4 loan mortgages to eligible veterans for many decades; and

5 WHEREAS, This program has assisted over a million veterans  
6 in obtaining affordable housing and in making a better life for  
7 themselves and their dependents; and

8 WHEREAS, These states utilize tax-exempt bonds known as  
9 Qualified Veterans Mortgage Bonds (QVMBs) to fund almost all  
10 of the home purchase and home improvement loans made to  
11 veterans; and

12 WHEREAS, Current federal law governing the use of  
13 tax-exempt bonds used to fund these loans, as set forth in Section  
14 143(l)(4) of the Internal Revenue Code, unfairly limits these  
15 programs to only those veterans who served prior to January 1,  
16 1977; and

17 WHEREAS, This restriction unfairly prevents all veterans  
18 serving on active duty post-1976 from using QVMBs, including  
19 the over 500,000 men and women who served in Desert Shield  
20 and Desert Storm and the 180,000 Reservists and National Guard  
21 members called up to serve our country since September 11,  
22 2001; and

23 WHEREAS, The United States of America is once again at  
24 war, which will create new veterans and, unless action is taken  
25 by Congress, these new veterans will come home to diminished  
26 benefits; and

27 WHEREAS, The current federal statute devalues the military  
28 service of men and women who have voluntarily worn the  
29 military uniform of the United States Armed Forces since 1977  
30 by denying them access to a benefit that has been available to  
31 their comrades-in-arms from other eras for more than  
32 three-quarters of a century; and

33 WHEREAS, Since 1922, California has operated, at no  
34 expense to its General Fund, the Cal-Vet Home Loan Program, a  
35 QVMB program that has helped over 415,000 California wartime  
36 veterans become homeowners; and

37 WHEREAS, By limiting the QVMB programs to pre-1977  
38 Veterans, California and the other four states are faced with the  
39 problem that the programs will effectively end in 2007, when the  
40 vast majority of veterans will no longer be eligible since, by that

1 time, most wartime veterans will have either been out of active  
2 military duty more than 30 years or will have entered active duty  
3 after December 31, 1976; and

4 ~~WHEREAS, Congress has failed to remedy this discriminatory~~  
5 ~~federal provision on behalf of these deserving men and women,~~  
6 ~~despite the fact that opening participation in this home loan~~  
7 ~~benefit to post-1976 veterans requires no direct budget~~  
8 ~~expenditure by Congress and the well-established benefits of~~  
9 ~~home ownership to local communities will be enhanced and~~  
10 ~~expanded; now, therefore, be it~~

11 *WHEREAS, These courageous men and women, many serving*  
12 *in harm's way even today, deserve the same benefits offered to*  
13 *their earlier comrades in arms, yet the states, in which they and*  
14 *their families reside, deny them the opportunity to use QVMBs;*  
15 *now, therefore, be it*

16 *Resolved by the Assembly and the Senate of the State of*  
17 *California, jointly, That the Legislature of the State of California*  
18 *memorializes the President and the Congress of the United States*  
19 *to support legislative action to immediately remove the*  
20 *discriminatory portion of Section 143(l)(4) of the Internal*  
21 *Revenue Code, as proposed by H.R. 2952, so that today's*  
22 *veterans and their families might enjoy the same benefits as their*  
23 *earlier counterparts; and be it further*

24 *Resolved, That the Chief Clerk of the Assembly transmit copies*  
25 *of this resolution to the President and Vice President of the*  
26 *United States, to the Speaker of the House of Representatives, to*  
27 *the Majority Leader of the Senate, to each Senator and*  
28 *Representative from California in the Congress of the United*  
29 *States, and to the Secretary of the Department of Veterans*  
30 *Affairs.*